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Chair: Mr. Peter Schiefke

Standing Committee on Transport, Infrastructure and Communities

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• (1930)

[*Translation*]

The Chair (Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.)): I call this meeting to order.

Welcome to meeting No. 77 of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, March 7, 2023, the committee is meeting to discuss its study on the high-frequency rail projects for the first part of the meeting and committee business for the second part.

Today's meeting is taking place in a hybrid format, pursuant to the House order of Thursday, June 23, 2022. Members are attending in person in the room and remotely using the Zoom application.

[*English*]

I wish to inform the committee members that all witnesses have been tested for sound and interpretation purposes for today's meeting and have passed the test.

[*Translation*]

The witnesses appearing before the committee today include Patrick Massicotte, president of the Chambre de commerce et d'industries de Trois-Rivières, who joins our meeting by video conference.

[*English*]

From Transport Action Canada, we have Terence Johnson, president. Welcome.

[*Translation*]

We also have three representatives of Via HFR: Martin Imbleau, chief executive officer; Marc-Olivier Ranger, corporate secretary; and Graeme Hampshire, project director.

[*English*]

We will begin with opening remarks from all of our witnesses. We'll start off with Monsieur Imbleau.

[*Translation*]

The floor is yours for five minutes.

Mr. Martin Imbleau (Chief Executive Officer, VIA HFR – VIA TGF Inc.): Thank you, Mr. Chair.

Although I have been in my new role for barely two weeks, I have decided to join you this evening, and I will try to answer your

questions as best I can. My colleagues are obviously here to support me.

What convinced me to join the team to develop this new modern service to link communities in the Quebec City-Toronto corridor was its next-generation-of-public-service aspect. The success of this project depends on many factors, starting with its social acceptance. As much as I am here to speak, I am also here to listen. Openness and collaboration are key to its timely development. In fact, the project's acceptance requires that we listen to indigenous communities, stakeholders and our future passengers.

As you know, we are a new Crown corporation, almost 10 months old, and our mission is to revolutionize travel by delivering a superior railway service in the Quebec City-Toronto corridor. However, our mission is to bring people closer together and to open doors because that's important. It is to provide an environmentally sustainable, punctual and affordable service to improve the passenger experience, because that's required now, for tomorrow and for generations to come.

We will bring the country's three capital cities closer together, including these two major cities, to strengthen the connection between Canada's two largest economic lungs, and to serve 15 million people in a growing corridor. We will shorten the distance between cities and communities and among friends and families.

Allow me this one personal comment. I've been developing major infrastructure projects for more than 25 years, mainly in the project corridor. I'm not an expert on trains, but, in all that time, I've essentially been driving my car to Quebec City and Ottawa and taking the plane to Toronto. Why? Because the trains don't run frequently enough, aren't on time enough and aren't fast enough. We can't just add extra trains these days. We don't own the railway tracks, unlike the railway companies that carry freight. More congestion has an impact on the transportation of freight, and that's not good for the economy. I learned a little about that in a previous life. Our mandate isn't to keep doing the same thing. Providing an appealing solution is.

[*English*]

This project provides choice by shortening travel times and connecting communities. It's about running twice as many trains faster and on time.

Many people ask about speed—understandably so. We will reach high speeds where it's feasible, safe and affordable. For information on the current procurement process, each team bidding on the project must provide two solutions. First, they must be able to achieve speeds up to 200 kilometres an hour—so faster than current services—but, second, bidders will propose services to go even faster.

Allow me this comment. The objective is not top speed for the sake of speed. It's about saving time. Faster average speed that shortens travel time is the way to go. You all already know how frustrating it is to get to Ottawa by plane or car in crowded airports and on congested highways. Ultimately, this project is about a more flexible, faster and convenient way to travel.

On another front, passenger transportation will remain an important source of GHG emissions as the population grows unless we offer a true, better, sustainable choice that affects behaviour—or the situation won't change. As well, putting passenger trains on dedicated tracks provides more capacity for freight, so oil and grain will then reach ports faster also. In our solution, we benefit people, the economy and the planet.

I know that this project is undesirably complex. It's also ambitious, but with the participation of the private sector, we think we have chosen the right approach, and our project is gathering momentum. The government is leading the procurement process to find a best-in-class team that will work with us. In July, three bidding teams qualified for the government request for proposals. The goal is to pick one of those consortiums by next year.

[*Translation*]

As I mentioned, since I've only recently taken up my new role, I am mainly spending my time listening to you and to communities, the public and stakeholders. I definitely intend to deliver this project in a fully transparent way, and this committee will regularly be kept informed of our progress.

Thank you for listening to me. My two colleagues and I will be happy to answer your questions.

• (1935)

The Chair: Thank you very much, Mr. Imbleau.

[*English*]

Next we have Mr. Johnson.

Mr. Johnson, the floor is yours. You have five minutes for your opening remarks.

Mr. Terence Johnson (President, Transport Action Canada): Good evening, Mr. Chair and honourable members. I am very glad to be with you in person today to describe high-frequency rail.

My journey from Chatham, Ontario, this morning, took 10 and half hours. If the promises of HFR are kept, that will be six and half—a big difference.

HFR when initially announced was supposed to quickly triage Canada's ability to run trains on time and operate enough trains to meet demand, putting Via Rail Canada back on a sound financial footing and getting it ready to build on that foundation across the country.

Transport Action members and supporters naturally had questions and concerns when this proposal was first unveiled, such as why high-speed trains would not be built as was previously studied. Past governments had balked at those costs, and HFR was supposed to provide most of the benefits.

Would smaller cities face service cuts? Assurances were forthcoming that that wouldn't be the case.

Could the timings be achieved on the proposed Havelock alignment? We later saw data that demonstrated the feasibility.

How would this project compare with upgrading the existing route?

Why diesel when electrification could eliminate all emissions?

Even with dedicated tracks for most of the distance, a passenger rail act was still going to be absolutely vital for the times when there was interaction with freight and to make the rest of the network work.

What about the rest of Canada, such as Calgary to Edmonton, for example?

Finally, would the government study delay and ultimately fail to act as did EcoTrain, ViaFast and every other study in the last 40 years while Canada fell further and further behind its global peers on rail? Eight years later, the last of those fears seems pretty accurate.

Yves Desjardins-Siciliano and his colleagues launched extensive public consultations in 2016. The information provided to Transport Canada included a business plan, ridership and infrastructure studies, all done by Systra. That was checked by international peers and a class 3 estimate was done. HFR was decision-ready by summer of 2018, but our government hesitated. Had it followed its Crown corporation's advice, HFR would already be in the final stages of construction today and would be in service by 2025.

Instead, the JPO was created with the Canada Infrastructure Bank in 2019 with a mandate to de-risk the project and a budget of \$71 million. The tasks it was assigned, including further engagement with indigenous communities, do not appear to have been accomplished. Its report wasn't published. Information obtained under an access to information request was in heavily redacted form. What the public has seen wasn't worth \$71 million.

In 2021, Minister Alghabra made announcements that indicated HFR was indeed finally going ahead. It looked as though the impact assessment would start that fall. Then we had an election. Things went quiet, and that IA didn't start.

Then on March 9, 2022, came the bombshell. What had been Via Rail Canada's \$4-billion project to rebuild about 80 miles of track between Havelock and Glen Tay and to upgrade the rest had been turned into a megaproject with a procurement timeline stretching out towards the end of the decade, in which Via Rail was to be shoved aside and the entire Quebec-Windsor corridor outsourced to a private partner taking on revenue risk over a concession period of 30 or more years. With scope creep potentially driving the cost back to \$12 billion, it was more like EcoTrain.

The long-awaited start of procurement should have been cause for celebration. Instead, morale at Via Rail took an absolute body blow from this. Nobody had been warned that it was coming. It is not clear how the rest of Via Rail services across Canada will survive without the corridor as their anchor. Nor is it clear how Via Rail is supposed to grow service to continue meeting demand and fully utilize the new fleet that will be delivered between now and the mid-2030s. The government provided no explanation for this pivot.

The page on procurement models in that JPO report was blacked out. There are some really good reasons I can think of for not doing it. Key factors, the factors that will determine long-term demand in ridership, are completely out of a private partner's control.

Will Canada become a country of 50 million, 60 million or 70 million? What will our immigration policy be in the mid-2060s? Will we get any better at distributing growth across the country, or will we stall as other countries do better than we do at accepting international qualifications? What will our housing policy be?

Cornwall and Brockville, for example, haven't set high targets for new homes, but with the frequent trains to Ottawa and Montreal that they've been promised, they could really grow. Peterborough could become a city of a quarter of a million, but only if other policies make that possible.

● (1940)

With gas tax revenues falling as our cars are electrifying, how are we going to price and subsidize highways? How will other competing modes be regulated? Will European-style competition be brought to the rails as was previously discussed? Asking the private sector to price these unknowable risks rather than the controllable risks of project delivery is illogical. There is a herd of public policy elephants in the room, stomping across the balance sheet. The resulting hefty risk premium will end up being paid by taxpayers and passengers, and if a private partner gets into difficulties, it can leave taxpayers to pick up the bill.

The United Kingdom's experience has been a fiasco, even with shorter time horizons for ridership forecasts. It's also notable that the proponents in the recent phase were only asked to provide a class 5 estimate, so we have gone backwards.

The only justification we've been given for this outsourcing is to import the expertise of Deutsche Bahn or SNCF. We do not need to do that.

The Chair: I'm sorry, Mr. Johnson. I'm going to have to ask you to wrap up your remarks, please.

Mr. Terence Johnson: The key to their success as European railways is solid policy and financial backing from their governments. What Transport Action Canada members ask the government to do is to give Via Rail solid policy and financial backing to get the job done.

Thank you.

The Chair: Perfect. Thank you very much, Mr. Johnson.

[*Translation*]

Mr. Massicotte, you are our next speaker, and you have five minutes for your opening remarks. The floor is yours.

Mr. Patrick Massicotte (President, Chambre de commerce et d'industries de Trois-Rivières): Mr. Chair and members of the committee, thank you for the opportunity to speak to you today on the topic of high-frequency rail.

My name is Patrick Massicotte, and I am president of the Chambre de commerce et d'industries de Trois-Rivières. Our organization has 750 members and has been a major player in the city's economy for 141 years.

We are not a recent supporter of high-frequency rail. Since 1982, the *Chambre de commerce et d'industries de Trois-Rivières* has worked toward the creation of a new mode of rail transport that would run through our city. Over the years, we have prepared two briefs, sent many letters of support for the project to the Department of Transport and hosted conferences for numerous transport ministers, as well as Via Rail, to promote the project to our members. As you can see from all those mobilization efforts, the *Chambre de commerce et d'industries de Trois-Rivières* has supported this project for more than 40 years. We are still supporting it 40 years later and will continue to do so.

Trois-Rivières is well situated geographically. Our city occupies a strategic position between Quebec City and Montreal and is the economic centre of Mauricie, a growing economic region. With its proximity to the St. Lawrence River, it is a major entry point for goods through the port of Trois-Rivières, which is a highly efficient institution. Then there's our airport, which can accommodate commercial aircraft and recently underwent a \$20-million expansion. So as you can see, rail transport is the missing link that would round out the range of services provided by marine and air transport. This is one of the reasons why the high-frequency rail project is so important for our members and our entire tri-river community.

Given the current labour shortage and uncertain economic situation, Trois-Rivières and surrounding cities and towns are fortunate to enjoy major investments through the Vallée de la transition énergétique. The Quebec government has announced the creation of this innovation zone, established from Bécancour to Shawinigan, which will help vitalize the industrial sector and provide high-quality, and of course well-paid, employment opportunities. These new labour needs clearly cannot be met by the labour pool in Mauricie and Centre-du-Québec. This is where a foundational transportation project such as the high-frequency rail, or HFR, project comes into play. I should also note that this would make it possible for workers and entrepreneurs from our region to travel quickly and easily to Montreal, Toronto and Quebec City for business development purposes and to expand their businesses. This is one of the HFR project benefits of particular interest to our members.

Trois-Rivières has considerable tourism potential given its high-quality facilities such as the Amphithéâtre Cogeco and the Colisée Vidéotron, its many festivals and its active and dynamic cultural life. The HFR project would facilitate access to this infrastructure and these cultural activities for tourists from here and elsewhere.

I will conclude my remarks by emphasizing how important it is for Canada to have a foundational rail transport service. This kind of project is fundamentally important if we want to promote our regions and reduce congestion in the major centres. A station in Trois-Rivières will promote our city's economic and social development and provide a natural boost to Quebec's development. As I mentioned earlier, the *Chambre de commerce et d'industries de Trois-Rivières* has been advocating this kind of project for more than 40 years. We may have been visionaries when we discussed a high-frequency passenger train that would stop in Trois-Rivières, but we are convinced now, in 2023, that it has become a necessity. The time has come for us to get this project on the rails and cement Trois-Rivières' place in the economic landscape of Quebec and Canada.

Mr. Chair and members of the committee, thank you for the opportunity to speak with you. I will be pleased to answer your questions.

• (1945)

The Chair: Thank you very much, Mr. Massicotte.

[*English*]

We'll begin our line of questioning today with Mr. Strahl.

Mr. Strahl, the floor is yours. You have six minutes for your line of questioning.

Mr. Mark Strahl (Chilliwack—Hope, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for joining us at the end of the working day. This is a new time slot for us, and I appreciate your being here to participate with us.

It's my understanding that in 2017 the original cost estimate to proceed with this project was about \$6 billion. As of the end of March in 2021, the information we've gathered is that the revised cost estimate was about \$10 billion to \$12 billion. The estimate doubled in cost in five years.

The cost of everything has gone up. We all know the inflationary pressures. The cost of borrowing has skyrocketed.

This question will be for the Via team first. Given those escalating cost estimates prior to the inflation and interest rate crisis, how many billion dollars more do you think it will take to actually get this project built? What is the current estimate to get the project completed?

• (1950)

Mr. Martin Imbleau: Thank you for the question.

I cannot comment, of course, about the past estimates, but the current situation is the following.

The scope of the project could have been different and the process on which we have embarked is to find a private partner consortium to better define what the scope will be and to, of course, in that process identify and refine what the budget will be. It's difficult today to have precise numbers, or it would probably be imprudent to throw numbers out, because the scope is not defined. The corridor is, but the scope is not defined. The technology is not well defined yet.

I think we absolutely need the support of the expertise in the private corporations to support us. The process in which we are, the procurement process, is to select that partner and work in codevelopment to provide Canadians with the best economical and operational solutions in a few years to come.

Mr. Mark Strahl: It would be safe to say that the price has not gone lower and that it would be above the \$12-billion estimate that was released in 2021.

Mr. Martin Imbleau: A thousand kilometres of above-ground facilities, a thousand kilometres of electric line and a thousand kilometres of moving parts to move 15 million people.... I've done linear projects for 25 years. I think it's fair to assume that the estimates you have are probably not adequate anymore, but I won't commit to any further numbers.

One of the things we want is for this process to be competitive. We want the private sector to not only help us but to remain competitive and to compete with one another. We'll be in a position to provide better numbers in a few years' time.

Mr. Mark Strahl: Certainly, I think I heard the magic phrase from Mr. Johnson that the federal government was looking to “de-risk” the project, and it cast my mind back to the Trans Mountain pipeline. When that was purchased by the government from the private sector, the cost estimate was \$5 billion. We now know that the cost to complete that project is over \$30 billion.

Given that you're operating in essentially the same environment—and it will likely be a more expensive environment—and that project is now 572% over budget or over cost estimates, I realize that you don't want to be pinned down on the number, but why wouldn't this project similarly go from \$5 billion or \$6 billion to over \$30 billion? That's the record we have with this government and big infrastructure projects like the pipeline.

I guess I'm trying to get some reassurance from you that this won't turn into another massive cost overrun where taxpayers end up picking up the tab.

Mr. Martin Imbleau: We're at a fairly early stage in the process. The estimate we would share would be pre-FID. We're not talking about potential cost overruns but about evaluating the best estimate, which we don't have at this point in time. However, the concern is legitimate, considering, of course, that everyone is following what's happening on the construction site.

One of the particular aspects of the process that was suggested to us as a codevelopment is that, instead of having only the private sector or only a Crown corporation isolated to work in defining the scope, the mandate we have is to take adequate time and apply the right resources to pin down the right scope for Canadians and ensure that what we build is at the right cost and is affordable but is also economical for the future.

Cost is one thing, but—

Mr. Mark Strahl: I have just another minute here.

I wanted to get an idea of the envisioned per passenger subsidy. What is the current one in the current Windsor to Quebec City corridor, if you can provide that number, and what do you anticipate the current subsidy from the government per passenger to be?

If you don't have that number in terms of what it is now, how you estimate that will change with the new project or what that number will be, could you table that with the committee, if you are able to get that number?

I think it's germane to taxpayers again to know. Is that changing? Will they be expected to subsidize passengers more as these costs go up and as this new project rolls out?

• (1955)

Mr. Martin Imbleau: We can certainly find the information on the current situation. I don't have it, but if it's public, we'll make it available.

For the future, those numbers don't exist because the economic model is not defined, but one of the mandates we have is to limit, over time and during the operation phase, the subsidy for the operation in the corridor between Quebec and Toronto.

[*Translation*]

The Chair: Thank you, Mr. Imbleau.

[*English*]

Thank you very much, Mr. Strahl.

[*Translation*]

Mr. Iacono, the floor is yours for six minutes.

[*English*]

Mr. Angelo Iacono (Alfred-Pellan, Lib.): Thank you, Mr. Chair.

Welcome, gentlemen, to our committee tonight to enlighten us all on HFR.

Mr. Imbleau, congrats on your new position. Thank you for all the good work you accomplished at the port of Montreal.

Indeed, I agree with you. It is an ambitious project. Briefly, why do we need high-frequency rail between Toronto and Quebec City?

Mr. Martin Imbleau: It's because 15 million people don't have adequate service to move around, which is detrimental to the economy. The team took the train today and it took a very long time, so we're using other options. We're still using our personal cars or we're taking the plane which, in the 21st century, is probably not the right way to go.

I made the joke to someone else before that trains are like sausages. The more we build them, the more they will be used. That's exactly what is happening everywhere in the world for climate purposes. However, for economic purposes, that corridor between three capitals—two of the largest cities—does not have an adequate train service, which is desperately needed.

I think the law of gravity is there to justify it.

Mr. Angelo Iacono: Thank you.

I have a question for Mr. Johnson.

We hear lots of voices calling for high-speed rail instead of high-frequency. In your view, how should the extra costs associated with HFR be accounted for? Should they be paid through higher fares? Should the costs be shared by different levels of government?

Answer briefly, please.

Mr. Terence Johnson: This is one of the questions we get from a lot of our supporters and members, but there is a really good reason HFR originally avoided it, which is that when you go above 110 miles an hour, costs hockey stick. Costs go up a lot because you have to grade separate everything and you have to realign all the curves, etc., and the project takes many more years to build.

If the cost of this project doubles, that means there are other projects that Canada cannot deliver to other parts of the country that don't get a train service. That's where we would say there is a real problem with what's happening here, and the cost and the scope of this are getting further ahead.

Remember that the original idea was that there would no longer be a need for a subsidy in the Quebec-Windsor corridor. In fact, Via Rail Canada would make a small surplus, which could be redirected to the rest of its services across Canada.

Mr. Angelo Iacono: Approximately how much more would it cost to deliver an entirely high-speed project as opposed to high-frequency, and what effect would that have on fares and on ridership?

Mr. Martin Imbleau: We don't have the delta cost to do a full fast train, but allow me to be more precise.

I think we're embarking on a false debate about what is frequent and what is fast. There are many definitions of what a TGV or a fast train is out there. The reality is that the proposal is to build a train that is as frequent, as fast, as reliable and as economical as possible.

Is it 200, 210 or 225? We will define what it is and what is optimal in the corridor to serve what we think will be 17 million passengers in 20 years from now.

[*Translation*]

Mr. Angelo Iacono: Would you please explain to us exactly what the role of Via HFR will be and how it will differ from those of Transport Canada and Via Rail?

Mr. Martin Imbleau: Our role will be to handle the procurement phase, jointly with our Transport Canada colleagues. Next year, we'll take over supervision of the work that's done. We will co-develop the project with a private partner so we can select solutions, make sure they are economic and identify the right trade-offs. We'll work with the private partner and make the final recommendation to the appropriate authorities. Consequently, we're setting up a project office with its own in-house competence so we can make appropriate recommendations.

Mr. Angelo Iacono: Thank you.

Mr. Massicotte, in an ideal world, we would have a high-speed train, an HST. If it were decided that an HST would simply be too costly, would you still be in favour of a high-frequency train, an HFT, that would provide more frequent stops, higher speeds and greater reliability?

• (2000)

Mr. Patrick Massicotte: The position we've adopted is that we don't necessarily have the expertise to determine whether an HFT or HST should go ahead. What's important for us is that there be a station in Trois-Rivières to promote the region's economic development.

We're well aware that consumers and entrepreneurs have to change means of transportation: They have to stop using their vehicles and take the train to achieve transportation economies if they have to travel from city to city. We also have to ensure they're able to work while they travel.

Could a hybrid mode be a solution? We aren't necessarily stating a choice between an HFT or an HST. What's important for us is that there be a station in our city.

Mr. Angelo Iacono: I know the final route hasn't been determined yet. What are the various factors that have to be considered in deciding that route?

Mr. Martin Imbleau: You have to consider the number of passengers who will use the train, distances and the economic aspect. The mandate letters that we've received from the department already suggest some essential stations.

In the process we undertake with the private partner to provide the best possible service, we'll have to come up with the right solution regarding stations as well as the cost, which will have to be the best one possible. Obviously, the more stations there are, the slower the train will be and the less the service may potentially be used. These are the decisions we'll have to make, in addition to accommodating the specific factors that Transport Canada and the minister have indicated.

The Chair: Thank you, Mr. Iacono and Mr. Imbleau.

Mr. Barsalou-Duval, the floor is yours for six minutes.

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Mr. Imbleau, congratulations on your appointment. I'm very proud that a citizen from my constituency is handling this project. I hope that you'll do us proud and that this great project is completed at low cost and provides maximum service and maximum speed.

My first question is one that must be on the minds of many Canadians. It isn't directly related to the other questions that have been asked today, but it comes up every time a major infrastructure project is considered. It concerns the matter of local content.

We have industrial capacity in Quebec. We have expertise, by which I mean people who can build the kind of trains that could ride the rails of the future high-frequency or high-speed train. I'd like to know whether, in your mandate or in your vision of things, there's a willingness to ensure that the project has an economic impact here, since we have the expertise to carry out this kind of project.

Mr. Martin Imbleau: Thank you for your kind words. I'll do my best, as a citizen of your constituency, not to embarrass you.

This is, first and foremost, a civil engineering project designed to build civil infrastructure, which is done locally. Building tracks and installing power lines are definitely things that are done locally. Right off the bat, the project will really maximize Canadian impacts simply as a result of geography. General contractors and firms from here generally reap the main economic benefits of these infrastructure projects.

Second, we will obviously abide by our international economic free-trade obligations. We will have to solicit bids in order to select the right companies. However, this is a civil engineering project in very large part, and, in my experience, civil engineering is mainly done by very local firms.

Mr. Xavier Barsalou-Duval: What about locomotives and railcars, for example?

Mr. Martin Imbleau: That ultimately represents a small portion of the project budget. The locomotive and railcar component generates quite limited economic impact compared to the rest of the budget. Even if we went in that direction, project engineering and construction would produce more significant economic impacts. I would note once again that we have international obligations that we must meet for certain—

Mr. Xavier Barsalou-Duval: That's fine. So I understand that there isn't any commitment in that regard. We would obviously like there to be one. That's why I wanted to hear your opinion on the matter because we have good jobs that we want to preserve here at home. I understand that there has to be a process, but, on the other hand, if our bids are competitive, why not consider them?

My next question for you is one that's on the minds of many people. It concerns the debate that has already begun on the choice between a high-frequency train, an HFT, and a high-speed train, an HST. You say that speed isn't the issue, and you can explain that to me once again after I've finished asking my question, but many people say that an HFT would travel at a speed comparable to that of present trains and that minor amounts of time would be gained on travel between Montreal and Quebec City. That's the example I'm using in this case.

On the one hand, one wonders whether it's worth the investment to build another rail line if it doesn't save a significant amount of time. On the other hand, you wonder whether it can encourage a significant number of car and airline users to switch to the train, which, if I'm not mistaken, is the objective.

Do we think we can make those people switch if there are no time gains or if cars are still a faster means of transportation than trains?

• (2005)

Mr. Martin Imbleau: Thank you for your question.

First, one thing I should have said in my opening remarks is that it's no longer possible to add trains to the current corridor because the tracks belong to someone else. Consequently, even though we want people to take the train instead of their cars, there's no room for more passengers. We would have to prioritize passengers over

freight, which is virtually impossible on tracks that now belong to other railway companies. We therefore have to build something new.

Second, reliability is key. Referring to the example cited earlier, we departed late and we've arrived late. Reliability will be one of the major factors in convincing people to give up their cars.

Third, I want to discuss my personal experience. You obviously travel extensively in Europe. You've travelled, as I have. However, I regularly take the train when I'm in Europe. In particular, I've travelled from Paris to Brussels and from Brussels to Amsterdam on the same high-speed train service, Thalys. We covered the 300 kilometres from Paris to Brussels in an hour and a half. That's very fast. However, we travelled the 220 kilometres to Amsterdam on the same train in two hours. Why? Because the train stopped more frequently in densely populated centres. The choice is based on environmental and economic gains and the populations served.

The same is true in the corridor we're concerned with here. If you want to stop in Peterborough and Trois-Rivières, to create wealth, you have to have a train suited to the communities that'll be served.

Mr. Xavier Barsalou-Duval: I'll use an example to clarify my question.

Suppose the train trip takes a predictable time, say two and a half or three hours. Suppose as well that the trip is 10 minutes shorter by car and that you won't have to wait at the station, you can depart and arrive when you want, and you won't have to wonder whether the station is located downtown or in some remote area of the city requiring you to take another form of transportation to reach your destination. In that case, how can we really make the train appealing for people who take it?

My objective is to ensure that a train is available, that people will ideally use it in large numbers, that it will link the various core areas and that it will be fast. However, if the trip takes as much time as by car, or more, I don't see why people would take the train. So I want to ensure that people are genuinely encouraged to take that train and that there's a genuine benefit in doing so.

The Chair: You have 15 seconds left.

Mr. Martin Imbleau: In all those scenarios, it will be faster to take the train than to go by car. We'll make sure that stations are well situated so that people are encouraged to take it. Furthermore, as I told you, there will be a basic service and an even faster service for travel between the various stations.

The Chair: Thank you very much.

[English]

Next we have Mr. Bachrach.

The floor is yours. You have six minutes.

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): Thank you, Mr. Chair.

Welcome to all of our witnesses. Thanks for being with us this evening. I'm looking forward to this study. I think it's going to be of interest to a lot of Canadians.

I'd like to start my questions with Mr. Johnson. What you had to say about this project was very enlightening, particularly all of the twists and turns it's taken since its first iteration.

I'd like to start from the perspective of being a British Columbia MP representing a rural region in the northwest of the province that's thousands of kilometres from here and that has a passenger rail system that is a mere shadow of what it used to be. When I talk to people about train service—or bus service, for that matter—so many people talk to me about their vision of having reliable and effective passenger rail service, yet the current Via Rail service through our region is terribly unreliable. It can't be used as basic transportation but only as, really, a tourist sort of opportunity.

When we look at this idea of essentially privatizing Canada's busiest passenger rail corridor and the source of some 85% of Via Rail's revenue—we're going to hand all that over, including the conventional Via Rail service along that corridor, to a private company and take it out of Via Rail's hands entirely—it would seem that our public passenger rail provider in this country is going to be left with the guts and feathers of passenger rail. I'm very concerned about what the fate of rail service in other parts of the country is going to be.

Can you kind of play the tape forward 20 years? What does this look like for Via Rail?

• (2010)

Mr. Terence Johnson: What this looks like, potentially, is that, if the rest of Via Rail continues to operate as a public service, it needs a very much larger subsidy to provide all the core services that are currently shared with the corridor. That, I think, would be something that we feel wouldn't actually happen at all, and you would in fact see trains like the Skeena just disappear, because the government would look at that and say, “We can't possibly subsidize that.”

The original vision of HFR was to triage the corridor, build a strong financial foundation, build from it, be able to look at Calgary-Edmonton, be able to rebuild our long-distance services and be able to support our remote services to northern and indigenous communities. The surplus of this project—all of the benefits of this project—would be for Canadians and would flow back into making our network stronger.

That is our largest concern with this. By taking revenue risk and putting it on the table, it's going to cost more, it's going to be years before we even begin to lay any track and, at the end of the day, it's going to cost Canadians more for the same train that we had a blueprint for in 2018 and could have got on with building.

Mr. Taylor Bachrach: Thank you, Mr. Johnson.

There is a very stark contrast in those two visions: investing in public rail and the capacity of our public passenger rail provider and then seeing those benefits across the country versus privatizing the cash cow of passenger rail in Canada and letting the rest of the

rail system wither on the branch. If I understand you correctly, those are the two pictures you've painted.

I'd like to turn to another aspect. This builds on the idea of investing in the capacity of our government and our public passenger rail provision here in Canada. It's rather ironic that the three consortiums that have been selected to compete for this project include a number of rail companies from Europe that are publicly owned.

Essentially, other countries have invested in their capacity in terms of public passenger rail and have built up the expertise to the point where we have to pay them to come and build trains in our country. Is that an irony that is accurate?

Mr. Terence Johnson: Actually, it's an irony that people think exists, but it isn't even actually accurate. At the moment in the GTA, we have ONxpress partners who have been selected to do codevelopment for GO expansion. They are hiring hundreds of positions for Canadians. They're hiring the same people that Metrolinx could have hired directly.

This will be the same here. Via Rail already worked with Systra. It already worked with private partners. It was already going to work with private construction industries to build new infrastructure. The only thing that's changed is that now operations are on the table, and there's no great secret to doing train operations. If you want to know how SNCF does something, you pick up a phone: “*Bonjour*, how do you do this thing?”

Mr. Taylor Bachrach: What you're saying is—

Mr. Terence Johnson: There are not trade secrets here. There is a tremendous amount of transparency in this industry because they are all public. Via Rail is perfectly capable of running the service. The building of it was always going to involve the private sector—projects always do—but the operation doesn't need to be outsourced.

Mr. Taylor Bachrach: What you're saying essentially is that we have the capacity to a large extent in Canada. We're just going to lose it to the private sector and then have to buy it back at a higher price. Is that it...?

Mr. Terence Johnson: That would be accurate as to what our fear is about this project.

Mr. Taylor Bachrach: Okay.

Mr. Chair, how many minutes do I have left?

The Chair: You have 30 seconds left, Mr. Bachrach.

Mr. Taylor Bachrach: Perhaps I'll ask my question and then wait until a future round to hear the answer.

A lot of the concern is around the difference between a public procurement model and these P3 models that this Liberal government seems so entranced by. Of course, here in Ottawa, residents have had some pretty tumultuous experiences with the P3 model. I would read this quote from the Ottawa LRT inquiry, which noted that “the P3 model caused or contributed to several of the ongoing difficulties on the project.”

I'm wondering how the experience of the LRT could relate to what we're talking about with this HFR project. I'll leave the answer for the next round.

Thank you, Mr. Chair, for your indulgence.

• (2015)

The Chair: Thank you very much, Mr. Bachrach.

Next we have Mr. Muys.

Mr. Muys, the floor is yours. You have five minutes.

Mr. Dan Muys (Flamborough—Glanbrook, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for their time, including those who are online.

Just for a bit of context, I know that you're representing Via HFR and not Via, but maybe you have some knowledge—I hope—of the marketplace. I want to understand a bit more of the business case.

My constituency is in Hamilton. Next door to us in Brantford, train 82, which went from Brantford into Union Station in Toronto, was just recently reinstated.

There were a number of trains that fed into the Toronto GTA hub and that, hopefully, would connect to future HFR or other such train services. They were paused during the pandemic and have only just begun to be reinstated: Kitchener, London and Barrie. What is the marketplace in the feeder routes into Toronto? Do you know?

Mr. Martin Imbleau: I personally wouldn't know exactly what the business case is and the number of passengers and the economics specifically for that region. Maybe my colleague can comment on it, but I, unfortunately, wouldn't have that input today.

Mr. Marc-Olivier Ranger (Corporate Secretary, VIA HFR – VIA TGF Inc.): The Department of Transport will also come to testify. I would politely ask that you redirect the question to them because there are some studies around trends outside of the corridor. Our mandate is pretty restricted to the corridor, but there are some more—

Mr. Dan Muys: Right, but it doesn't operate in a vacuum.

Okay, I'll put that aside, then.

You talked about, of course, the different model being fast and on time. Have there been any sorts of studies in terms of the percentage of anticipated uptick in ridership as a result of that versus the existing service?

Mr. Martin Imbleau: Yes, because of the improvement of the system and the dedicated-track aspect, we think that passenger usage will jump significantly—today it's around four million—to 17 million by mid-century. It's a huge increase with a significant reduction of the GHGs emitted by individual cars as a side effect.

Mr. Dan Muys: Is there a range or an estimate of how many riders on an annual basis need to be taking this service in order to make it a go? What year in the years of operation do we reach before we get to the point of breaking even?

Mr. Martin Imbleau: Breaking even is probably not the right approach. It's like thinking about when a highway will meet its

break-even point. It basically does not happen because large infrastructure like this is not developed by government for nothing. It needs significant involvement from the government. There's a large part of it that will come from funds from the government, and our job is to keep it as low as possible and ensure that we have the right balance with the private partner to make a service that is affordable.

Mr. Dan Muys: Do we know how many riders...? I mean you talked about four million to 17 million.

Mr. Martin Imbleau: Do you mean how many it would take to make it economic if it was completely independent? We haven't made that economic...because it's probably a moot point. It's something that has to be supported by federal subsidies, for sure. There's no doubt about it. Just like a highway, how much depends on the usage, which we will refine during the codevelopment process, and we'll be happy to share it at that point in time.

Mr. Dan Muys: Mr. Hampshire, I read your background, and you have, of course, quite a level of expertise in different train services in Europe and other places in the world. What do you see as the potential and the pitfalls going into this?

Mr. Graeme Hampshire (Project Director, VIA HFR – VIA TGF Inc.): I think one needs a balanced approach here. One needs to take the best of the public sector that we've seen in Europe and the best of the private sector. I don't quite share the doomsday scenario presented by my colleague on the left concerning U.K. rail because I was involved in that for a number of years. There were significant benefits from involving the private sector. The model has now moved on. The model has matured, and we can learn lessons from that, I think.

Mr. Dan Muys: Mr. Johnson, you cited the \$71 million, if I'm remembering this correctly, that was wasted up front. Can you break that down? Maybe you did, and I missed it. What was that \$71 million composed of then and, therefore, what is your concern about cost overruns going forward and where those are going to be borne? You said that the taxpayers and the riders are going to bear this cost.

• (2020)

Mr. Terence Johnson: The most important point is that, even before the joint project office was created, the ridership forecast existed. The business plan existed. The infrastructure assessment existed. All of those things had already been paid for by Via Rail Canada. All that money had already been spent. The only thing we haven't done with that is publish it to have the transparency to share with the public the real details to back up the assertion that, yes, this thing is actually getting to carry 12 million or 17 million passengers, and here's the model that shows where this is going and what our assumptions are about how our cities might grow and all the other public policy parts of this. All of that already existed before the joint project office was created.

The joint project office was supposed to do things like secure land. It hasn't done that. There have been so many missteps. The Mount Royal Tunnel was let go. All of these kinds of things that the money should have done, it didn't do.

The Chair: Thank you very much, Mr. Johnson.

Thank you very much, Mr. Muys.

[*Translation*]

Ms. Koutrakis, the floor is yours for five minutes.

Ms. Annie Koutrakis (Vimy, Lib.): Thank you very much, Mr. Chair.

Thanks as well to our witnesses for being with us this evening.

Mr. Imbleau, congratulations on your appointment to this new position, and thank you very much for the services you've previously rendered to the Port of Montreal. It's a genuine pleasure to see you again. I'll begin with a few questions.

First, would you please explain why the high-frequency train is being designed as a public-private partnership. Second, does the Government of Canada have the necessary expertise to carry out such a complex civil engineering project? Third, what's your response to our NDP friends who say that a public-private partnership can only increase project costs?

Mr. Martin Imbleau: Thank you, Ms. Koutrakis. It's nice to see you again.

In a way, I think we have the best of both worlds in this instance. If this project were completely handed over to the private sector, without the supervision of a well-informed office staffed by a good team, we'd be, in a way, navigating in the dark. On the other hand, it would also be difficult to develop such a complex civil, technological and electrical project solely within government because we probably wouldn't have access to innovations and new techniques that are out there, such as technologies and construction techniques, as well as competition among various firms.

Consequently, we probably have an appropriate balance between the two here. I don't think it'll cost more because we're operating within a public-private partnership. Costs are costs: management alters the actual cost situation, and capital cost tips the balance somewhat, but it's the model itself that will essentially be the decisive factor regarding costs in this case.

Ms. Annie Koutrakis: Thank you.

I know the final route hasn't been determined yet. What are the various factors that will have to be considered in deciding it?

I've received a lot of questions from Mr. Boyer, the mayor of Laval, a city situated in my constituency. He asks me, every time I see him, if there'll be a station in Laval.

Mr. Martin Imbleau: It's a legitimate question. Obviously, everyone would like to have a station, and the fastest train possible too.

Many factors have to be considered, and I discussed this with the team this morning. They include distance, number of stations and population density. Geography is also a significant factor, if only for determining curve radius. There's also track-sharing, distance

and ways of circumventing certain obstacles, such as Mount Royal, which we referred to earlier.

It's really something that involves many factors. So decisions will be made based on the service offered, the environment and costs so we can provide the best possible service at the lowest cost.

Ms. Annie Koutrakis: Thank you.

Mr. Massicotte, many Quebec stakeholders are calling for a high-speed train. Who do you think should pay the higher costs that would be associated with that? Do you think the Quebec government or the Municipality of Trois-Rivières would be prepared to contribute to those higher costs? If so, to what extent? Has that been discussed within your organization?

Mr. Patrick Massicotte: Thank you for asking that question. The debate in Quebec over high-speed trains versus high-frequency trains has resumed with renewed vigour.

As I mentioned a little earlier, I think a hybrid system might be the optimal scenario. There could be high-speed trains on certain routes and high-frequency trains on others, but I'm not an expert in the matter.

As for associated costs, you have to understand that we're making these investments in order to be internationally competitive. Connectivity among the regions and major urban centres will promote regional and economic development quite significantly. When I mention the innovation zone, the battery industry, in particular, I believe you're aware of all the investments that General Motors, POSCO, Ford and others have made. Many industrial concerns are setting up in our region. Having a foundational network will foster the emergence of businesses and revitalize the economy for all Canadians.

Regarding your question as to whether the City of Trois-Rivières is prepared to make significant investments, I don't want to speak on behalf of the city. We also haven't focused specifically on that point.

I hope that answers your questions.

● (2025)

The Chair: Thank you very much, Mr. Massicotte and Ms. Koutrakis.

Mr. Barsalou-Duval, the floor is yours for two and a half minutes.

Mr. Xavier Barsalou-Duval: Mr. Massicotte, welcome and thank you for being with us.

You've spoken at length about the fact that it would be a good for Trois-Rivières if the train stopped there. We obviously agree with you. René Villemure, one of our party members, constantly tells us in caucus how important he thinks it would be to have a station in Trois-Rivières.

However, any city on the route could say it would like to have a station. Why would Trois-Rivières be an essential stop? Not all the people around this table are from Quebec, and they aren't all necessarily familiar with Trois-Rivières. Perhaps it might be a good idea to explain a little why it's important for there to be a station in Trois-Rivières.

Mr. Patrick Massicotte: The city of Trois-Rivières has experienced significant economic growth in recent years.

In the knowledge field, the Université du Québec à Trois-Rivières has been a leader in innovation and green hydrogen, for example. That's what encouraged the Quebec government to create the Vallée de la transition énergétique, including Mauricie and Centre-du-Québec, and to designate that region as an innovation zone with high growth potential. The city of Bécancour has one of the largest industrial parks in the country, which has made it possible for major industrial companies, like the GMs and Fords of the world, which I mentioned earlier, to set up there.

So we're experiencing a boom, which is why the City of Trois-Rivières and the Quebec and Canadian governments recently provided funding to expand our airport terminal. Something's happening in our city. We have a port and an airport, and adding the train would help stimulate our economy even further.

Major investments have also been made in tourism. Many tourists come from around the world, from Europe in particular. Cruise ships dock in Trois-Rivières, and Canadians visit the city, which has truly become a tourist destination.

The Chair: You are unfortunately out of speaking time, Mr. Barsalou-Duval.

[English]

Next we have Mr. Bachrach.

Mr. Bachrach, the floor is yours. You have two and a half minutes.

Mr. Taylor Bachrach: Thanks, Mr. Chair.

The fixation of both Liberal and Conservative governments on public-private partnerships has always seemed a bit more of an ideological fixation, rather than being based on an objective evaluation. The auditors general of both British Columbia and Ontario analyzed dozens of P3 projects and found that they're more likely to cost taxpayers more and run behind schedule.

I'm really fascinated by the decision-making to go with this model for the HFR project. Our research shows that the government analyzed 20 different Canadian and international transportation projects when assessing procurement options. None of those 20 used public procurement models.

This is to Mr. Imbleau—and I understand that he's new in the position. Why does he think it is that there was not a single one?

• (2030)

Mr. Martin Imbleau: First, I have to be humble about the fact that we inherited a mandate to do a procurement process. That was decided by other authorities, so I respect that decision.

That being said, at the risk of repeating myself, having the mix of building the intelligence and expertise internally while relying on the expertise of the private sector, and the innovation, in this case, we think is the right approach.

Mr. Taylor Bachrach: To Mr. Johnson, if we were to look around the world, and if we could go back in time and have the government do a fair analysis of rail projects that have been publicly procured versus ones that have been privately procured, where would we look for public examples?

Mr. Terence Johnson: That's actually a good question.

I want to make one thing clear. We're not opposed to the private sector. We are opposed to getting this wrong. We want to be very pragmatic about this. One of the lessons of the Ottawa LRT project is that the public partner wasn't sufficiently sophisticated. Actually, it's very good that we have very skilled people being brought into the Via Rail HFR team to hold the public part of this project down.

The thing is that the original plan was a public-private partnership, but it was one for infrastructure. It's one that would have been an availability payment-based project for the infrastructure, and those are quite common. Totally outsourcing your entire railway isn't very common. In fact, the only equivalent I can think of is the deal that the Indonesians have just done with China for their HSR. You could compare that, for example, with what India has done in building its domestic capability.

The Chair: Thank you very much, Mr. Bachrach. You had 15 seconds left.

Mr. Taylor Bachrach: I'll take them in my next round.

The Chair: That sounds good.

Next we have Mr. Lewis.

Mr. Lewis, the floor is yours. You have five minutes.

Mr. Chris Lewis (Essex, CPC): Thank you, Mr. Chair.

I have five minutes and 15 seconds. Thank you, Mr. Bachrach.

Voices: Oh, oh!

Mr. Chris Lewis: Thank you very much to the witnesses for this late evening meeting, but a very important meeting. There's no doubt. It's a very critical meeting. Thanks so much for your testimony.

The first question I have is a really simple question, I think. It will be directed both to Mr. Imbleau and Mr. Johnson.

My riding of Essex is right next to Windsor. It's the busiest international border crossing in North America. Does it make sense to either of you gentlemen—just briefly—that we would now call it the Toronto-Quebec corridor and not go back to the Windsor-Quebec corridor? We could potentially tie the United States into this with the likes of Chicago and whatnot. Are we walking past a golden opportunity if we're doing the investment anyway?

Mr. Martin Imbleau: The mandate we inherited is very specific, Mr. Lewis. It's really Quebec-Toronto. We know that there are studies being done as we speak by Transport Canada to look at other expansions. It's out of our mandate. Maybe that question should be put to the people of Transport Canada when they appear before this committee.

Mr. Terence Johnson: I've actually spoken with the study team that's been engaged from CPCS by Transport Canada to look at what they're calling HFR, phase two, in southwestern Ontario.

Now, the problem I have with this is that they're calling it “phase two”, because actually solving the problems in southwestern Ontario is much easier than solving the problem between Toronto and Ottawa, and we could be solving the problems today.

We could be keeping some of the promises that were made four or five years ago—actually, longer—about having multiple trains per day to Sarnia and five or six trains to Windsor and Essex. We could be speeding up the train from Windsor by half an hour to Toronto easily, and we could do it today. Via Rail Canada can do it with the government's proper backing to implement plans it has already made.

Mr. Chris Lewis: Thank you, Mr. Johnson.

Thank you, Mr. Imbleau.

I'll just build on that quickly, then. Earlier on, the word “grain” came up, on moving grain. Ironically, Windsor has a port. We ship a lot of grain to, ironically, the Chicagos of the world, the Milwaukeees of the world and whatnot. We talked about grain, which is awesome.

Now let's talk about the St. Thomas battery plant, and let's talk about the Windsor Stellantis battery plant. These are to the tune of \$12-billion investments. Let's talk about critical minerals that one day, hopefully, will be mined in the Far North of Ontario. Let's talk not only about getting people to the locations, but about getting our critical minerals to these battery plants that are going to—are supposed to—fill about 5,000 new jobs, roughly.

Would it not make sense, then, to actually do this in reverse to ensure that Windsor is actually the starting point and we move it east? It only makes sense to me, with all of the infrastructure that's being put in place in these areas, which, by the way, aren't remote. This is actually the hub of North America.

Would you agree with me, Mr. Johnson, that this really needs to be looked at very closely to ensure we're not walking past an opportunity?

• (2035)

Mr. Terence Johnson: I think it really is the case that the right and left hands can do two different things at the same time here. We can.... This is one of the problems with having separated Via Rail

and Via HFR. Via Rail is in somewhat lame duck mode and doesn't know what it's supposed to do for the next 10 years to tackle the challenges we have right now, whereas they could be doing all of the things at once, because these things are synergistic. They all feed each other.

In talking about freight, though, we really need to ask why we let the freight railroads abandon so much of their infrastructure and then tell us how they don't have any capacity left for passenger trains. There was a perfectly good double-track line going from Essex to St. Thomas 10 years ago, and it's all gone.

Mr. Chris Lewis: Thank you, Mr. Johnson.

Mr. Imbleau, do you have any final comments, sir? You have about 30 seconds.

Mr. Martin Imbleau: Having more passenger trains on freight train tracks doesn't make much sense, for the reason that you've mentioned. I just don't see, in 50 years, having passenger trains running on diesel between cities and still slowing down freight trains, because the economy is growing.

In any event, with the corridor we're developing we should have dedicated tracks. I have no comment on the specific location, but in general, we should get out of the way and both have our dedicated tracks.

Mr. Chris Lewis: Thank you, gentlemen.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Lewis.

Next we have Mr. Badawey.

Mr. Badawey, the floor is yours. You have five minutes.

Mr. Vance Badawey (Niagara Centre, Lib.): Thank you, Mr. Chairman.

I want to thank the witnesses for coming out today to give us their testimony.

Folks, this project would be the largest transportation project in 60 years for this country. Quite frankly, it's quite exciting that we're all taking part in this process. I believe, as I said to Mr. Lewis earlier, this goes beyond party politics. This is a team effort by all parties to actually get this project off the ground and get it built to then bring our transportation system up to the year 2023 as it relates to moving people.

The second point I want to make is probably the most important point. It will further galvanize the country. There is no question. It will galvanize the country from Quebec into the west and even into the east, and strengthen a multimodal network, in particular, as it relates to movement of people.

We recognize that we have a very robust system in the movement of trade, albeit fluid and can be improved...a multimodal network. In my neck of the woods, in Niagara, we've been very blessed with a very strong Niagara ports trade corridor that takes full advantage of the St. Lawrence Seaway and the Welland Canal, as well as the main inshore line rail networks and roads, as well as air.

That said, I want to ask about and be very clear on this process and the best way to take it. Going to Mr. Lewis's comments, which I think were very appropriate comments with respect to concentrating now, yes, on the movement of people.... Equally important is ensuring that we also make the movement of trade more robust in those market-ready areas when it comes to the new sectors we are trying to strengthen, like the mineral sector in the north and, of course, with that, having the proper infrastructure in place with those growth-related areas.

I'm going to go to Mr. Imbleau—by the way, congratulations on your new position. It's the port of Montreal's loss and now Via HFR's gain.

The question is this. I would like you to be very clear on the process, both from the capital side and the operational side, and on how this is going to roll out with respect to your participation and the partners that are going to come on board to make this happen and get the job done.

Mr. Martin Imbleau: Thank you for the question.

It's funny that you mentioned the maritime St. Lawrence Seaway, because I wrote that down as being the most significant endeavour done in the country.

• (2040)

Mr. Vance Badawey: That's right.

Mr. Martin Imbleau: Canada wouldn't be what it is today in the world without that endeavour, which was built decades ago.

Today we're in the procurement phase. We will pick, by late summer next year, one consortium with which we will codevelop the project. We'll embark on a process—us, our team and them—to find the best solution, do the alignment, do the impact assessment and find the economic balance, and at the end of that process, which will last a couple of years because it's very detailed, we will make a final investment decision.

The Government of Canada will invest in the project. The private partner will invest in the project in the proportion that needs to be determined by the process. At that point in time, the private partner will also operate facilities that will be kept on Canada's books. We will own the asset, but the operator will operate our asset at that point in time.

Mr. Vance Badawey: That's great.

We talk about different areas in which we're going to be investing. What are your thoughts on or what do you anticipate with respect to eventually extending HFR into southwestern Ontario?

Mr. Martin Imbleau: As we've mentioned before, there is a study being done, which I am learning is called phase two, or an extension to other regions. Our mandate is to stop in Toronto. If the mandate were to change, we would look at it.

I'm sorry to be....

Mr. Vance Badawey: This is a work-in-progress—

Mr. Martin Imbleau: It's a work-in-progress.

Mr. Vance Badawey: It's a work-in-progress, and I asked the question deliberately for that reason, because we are all working together here to come to that end.

That said, do you also see the possibility down the road that short-line operators may be a part of this overall network?

Mr. Martin Imbleau: The intent is to have our private partner operate all of the facilities in the corridor between Quebec and Toronto—to have a single operator—because they will be taking the operational risk at that point in time. It's also to reduce the taxpayer exposure to the risk of the operation—

Mr. Vance Badawey: Essentially, you're going to have a spine going east to west. Is there a possibility that you might use short-line operators to come off that spine into certain jurisdictions?

Mr. Martin Imbleau: For spur lines and that type of facility, if we build it, they will come. For sure, we'll have hub-to-hub main services and then we'll have spur lines. It's how things were developed elsewhere, so the same thing will happen in Canada, in the country.

Mr. Vance Badawey: This is my last question. What would it mean for Canada if this project were to be abandoned?

Mr. Martin Imbleau: I close my eyes and I see myself in 40 years: We're the only G7 country without that type of service.

Mr. Vance Badawey: Let's make sure that doesn't happen. Let's get the job right and get 'er done.

Mr. Martin Imbleau: Right.

We'd be the only country still riding on diesel trains on non-dedicated track. Our two capitals wouldn't be linked. I just don't see it not happening.

Mr. Vance Badawey: Perfect. Let's end on a good note. Let's make sure she gets done.

Mr. Martin Imbleau: Thank you very much.

Mr. Vance Badawey: Thank you, Mr. Imbleau.

The Chair: Thank you, Mr. Badawey.

To begin our final round, we have Mr. Strahl.

Mr. Strahl, the floor is yours. You have five minutes.

Mr. Mark Strahl: Thank you very much, Mr. Chair.

Mr. Imbleau, you've referenced a number of times your mandate letters and that sort of thing. Are those public documents? I know that the ministers' mandate letters are public. Are you able to table those with the committee?

Mr. Martin Imbleau: Yes. They're all public. They were part of my 800-page briefing book.

Voices: Oh, oh!

Mr. Mark Strahl: We'll look for them, then.

Mr. Martin Imbleau: We'll make them available if they're difficult to find.

Mr. Mark Strahl: Okay. Thank you very much.

Mr. Marc-Olivier Ranger: Members of the committee can find them in the corporate plan summary tabled by the minister in the House of Commons. You do have—

Mr. Mark Strahl: I appreciate that. Thank you for that direction.

In your comments, Mr. Imbleau, you mentioned how getting passengers off the current line and onto the new service would improve freight traffic. Obviously, if the tracks are not being shared, there would be more ability to move volumes quicker.

I would assume that you know how many Via trains would be coming off that current line and onto the main line. Have you done the modelling to show by what volume the current line would be reduced, how many trains would be reduced and how many passengers would move off the current line onto the HFR line? If that happens, what reaction do you anticipate from the communities that are currently served by the current corridor? Have you taken into account their level of service dropping because of a lower frequency of trains there? How will that impact feeding into the hubs?

I guess I'm a little concerned about the reduction. Have you modelled how that reduction of service on the current line will integrate with the HFR, or will those communities just see less and less service and, therefore, have to use other modes of transport to access the HFR? Are they going to be at a huge disadvantage, compared to those few communities along the route that will get stations on the HFR and will benefit from them?

• (2045)

Mr. Martin Imbleau: I may have misspoken. The idea is not to cannibalize the existing system but to keep the existing system rolling. It's really to offer incremental services, new services, on dedicated track. Communities on the south shore of Montreal will still be served by Via. The intent is not to stop that service. It's really to go from eight million to 17 million passengers through incremental services.

If we could have done it on the existing track and be faster and reliable, someone else would have done it. We simply cannot add them, because there's no flexibility with the other rail cargoes.

Mr. Mark Strahl: Then I guess the question is this: How can you say that freight volumes and efficiencies will be met if you're saying that Via traffic will be the same on the current corridor and

that this will just be additional capacity? I don't know. Maybe you can help me understand how those two things can both be true—the same amount of Via traffic and increased freight efficiencies and volumes.

Mr. Martin Imbleau: The intent is not to add any new services on the existing freight lines to deteriorate the system. The current system might remain a bit the same, which has concerns, but the incremental services or the incremental passengers would be on dedicated tracks not affecting the freight trains.

We all went through a crisis over the last two years on the supply side in terms of shipping and the train industry. We know how sensitive it is. Keeping the reliability of freight trains is important. We don't want to increase the burden on CN, CP and other operators.

Mr. Mark Strahl: You're saying that the levels of service to the communities along the route right now will not deteriorate and will not be diminished because the HFR is running. They will continue to have access to the current level of Via services that they enjoy today when this is built.

Mr. Martin Imbleau: I think what I said was that it's not the intent to reduce the services. Will there be a shift of passengers between the communities because the services are different? That remains to be seen and evaluated, but the intent is not to affect those services.

The Chair: Thank you very much, Mr. Strahl.

[*Translation*]

Thank you very much, Mr. Imbleau.

[*English*]

Next we have Mr. Chahal.

Mr. Chahal, the floor is yours. You have five minutes.

Mr. George Chahal (Calgary Skyview, Lib.): Thank you, Chair.

Thank you to all the witnesses for presenting today.

Mr. Imbleau, I want to start on some comments made earlier by the Trois-Rivières chamber of commerce. I want to dig a little bit deeper into—and my colleague Mr. Barsalou-Duval also touched on it—the process to look at stations or opportunities for stations. Do you have specific criteria and a weighting associated with those criteria so communities know if they potentially would get a station close to their community?

Mr. Martin Imbleau: There are stations that are in our mandate, clearly written in the minister's mandate. Those are known.

If there were to be other stations, then, yes, we would develop a matrix that takes into consideration environment, economics, passengers and feasibility.

We'll have a matrix, but I think it's fair to say that the intent is probably not to have too many stations, because we won't have fast, frequent, reliable service. The corridor already has a different number of predefined stations.

Mr. George Chahal: If there were more stations to be added, would you be providing communities disclosure on what they would need to meet those criteria to potentially get another station?

Mr. Martin Imbleau: It is part of the discussion and optimization process that we will do with the private partner to see where it is more economic and feasible to have or not have stations down the road. We'll make that public when it's done. The intent is, as I said, not necessarily to add a lot of stations, in order to keep the service as fast as possible.

Mr. George Chahal: Thank you.

We talked about diesel, but we've talked about electrification as well. Can you elaborate on your proposal for electrification and the costs and benefits of shifting over?

I also have a follow-up question to that on hydrogen. Why not look at hydrogen as an option? Once again, the chamber talked about green hydrogen. Why aren't we looking at hydrogen as an option?

You have two questions there.

● (2050)

Mr. Martin Imbleau: It's funny, because hydrogen electricity is my background, so I'll come back to that second topic.

The intent is to have fully electric trains. I say "the intent" because there may be some portions where it's constrained, where we'll have to rely on biodiesel or diesel-electric trains, for instance in seriously congested communities.

We'll try our best to have everything electric, but we may have to rely on other technology.

Mr. George Chahal: Why can't you make it all electric?

Mr. Martin Imbleau: It will depend on the efficiency of batteries. There may be some points where we cannot have catenary.... In this case, typically you run your train on different supplies, so we'll see what is available in terms of technology with the private partners.

For the hydrogen, it's an interesting debate. You may have seen that one of the first significant hydrogen trains developed in Germany has actually abandoned the technology because full electric was just more efficient and cheaper to operate. I think that's a lesson learned from a larger operator. We just took notice of it.

Mr. George Chahal: There are other countries looking at hydrogen as the way to move forward. While that one proponent may have failed, there may be others who are using a different technology. Is that still off the table completely, or is that something you're exploring?

I'm asking because I'm from Alberta—I should have told you that to begin with—and we're looking at a few projects. One part of the study involves Calgary to Edmonton and Calgary to Banff. If we look at full electrification, I'm not sure where we'll get the power from. Currently our provincial Conservative government has put a moratorium on renewable energy in particular.

When we think about energy production and the supply of electricity to power trains, when we have to power our homes and our vehicles moving forward, I'm just wondering whether we'll have enough electrification to meet all our demands and needs or whether we should be looking at hydrogen.

We'll start with you, Mr. Imbleau, and then we'll jump over to Mr. Johnson to finish.

Mr. Martin Imbleau: Energy is always very local. In Quebec, we benefit from green electricity. To a certain extent, it's the same thing in Ontario. I think it makes sense to look at the electrification.

Would we consider other options? I think one of the intents is to be influenced by the best technology that is economical and that can be deployed economically for Canadians. Therefore, if there's a better solution, we'll consider it for sure.

Mr. George Chahal: I'm sorry, Mr. Johnson, but I think I'm out of time. I'm not sure if the chair...?

The Chair: It depends if Mr. Bachrach would like to give you 10 seconds of his time.

Some hon. members: Oh, oh!

The Chair: It's a very important answer.

Mr. Taylor Bachrach: I'll cede 10 seconds of my time to Mr. Chahal with the hope of some forbearance from the chair at the end of my remarks.

Some hon. members: Oh, oh!

Mr. George Chahal: Thank you, Mr. Bachrach.

Mr. Johnson.

Mr. Terence Johnson: I'm just very glad you mentioned Alberta, because in the case of a service that is less than hourly, hydrogen might economically stack up quite well. For an hourly service, especially at higher speed and higher energy intensity, the ability to feed braking energy back into the catenary, etc., is absolutely vital. It really is a "horses for courses" situation, but for high frequency or high speed, you're going to go full electric every time if you're really just looking for the most efficient system.

The Chair: Thank you very much, Mr. Johnson.

[Translation]

Mr. Barsalou-Duval, the floor is yours for two and a half minutes.

Mr. Xavier Barsalou-Duval: Thank you, Mr. Chair.

Mr. Imbleau, at the end of our exchange earlier, you seemed to say that the train would be faster than cars in all the scenarios considered.

However, based on the figures currently circulating, a high-frequency train trip between Montreal and Quebec City would take three hours, compared to only two and a half by car. So I'd like to know what convinces you that the train would be faster. Do you have any information indicating that anyone has found ways to shorten the trip as part of the project that will be carried out by the potential partners?

Mr. Martin Imbleau: As I mentioned, we requested two options. I assume you're referring to the Montreal-Quebec City route, which is popular. The first scenario concerns a trip of approximately 2 hours and 50 minutes from downtown to downtown. That's faster than by car because I definitely can't make it from downtown Montreal to downtown Quebec City in 2 hours and 50 minutes without exceeding the speed limits. The second scenario involves a trip of approximately 2 hours and 15 minutes, which would be considerably faster.

• (2055)

Mr. Xavier Barsalou-Duval: Thank you for that quick and effective answer.

You mentioned another point in your answer that I find very interesting: you referred to a trip "from downtown to downtown". So you're sure that we'd have actual access to the core area under what's being proposed and that it wouldn't involve, for example, a stop in Mount Royal or north of the city.

Mr. Martin Imbleau: The objective is to determine the best economic sites for a maximum number of passengers and to promote intermodality for passengers. We'll find the best sites together with our private partner. Various sites are being considered in every municipality, and we clearly want to promote intermodality in order to promote the service.

Mr. Xavier Barsalou-Duval: How much time do I have left, Mr. Chair?

The Chair: You have 45 seconds, Mr. Barsalou-Duval.

Mr. Xavier Barsalou-Duval: I'll see if I can address this matter in 45 seconds. If not, perhaps Mr. Bachrach can explore it.

I've had a question in mind since we started, one that Mr. Johnson may already have touched on. We've jumped from one project manager to another, first VIA Rail, then the Canada Infrastructure Bank and now you. Why these changes of project leader?

Mr. Martin Imbleau: It's hard for me to discuss the past, and I think this is an evolution.

The mandate we've been given is to build extensive expertise in all fields so we can be a supervisor, manager and watchdog for a project that will be important for Canadians. We have a mandate to

protect the money that's invested in this project and to make the best choices for the coming decades.

My first challenge is to attract talent so that they work for us and to build the best global team to manage the best project for Canadians.

The Chair: Thank you very much, Mr. Barsalou-Duval.

Thank you, Mr. Imbleau.

[English]

Finally, to bring us home this evening, we have Mr. Bachrach.

Mr. Bachrach, the floor is yours and you have two minutes and 40 seconds.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

I'd like to pick up where my colleague Mr. Barsalou-Duval left off, talking about mode share and travel times between major centres.

I met with Via Rail a couple of years ago, before the second iteration of the terms of reference were released and when they were still in charge of the project. They said very clearly to me that they intended to compete with car trips between major centres but that competing and stealing market share from short-haul flights was not on the table. They weren't interested in that.

Now there's some research from the OECD. This is out of France, and I'll just read a quote from it:

Once the journey time by rail exceeds the journey time by air by 1 to 2 hours, the market share drops to about 50% and decreases rapidly thereafter.

I'm wondering, now that higher speeds, at least on portions of the route, are on the table, whether this objective of reducing short-haul flights between major centres is going to be brought into the project as a key objective.

Mr. Martin Imbleau: I'm not sure if it will be a key objective, but I think it will be a side benefit. If the train takes me from Toronto to Montreal in four hours, definitely I will use the train every time because of the delays and the certainty of being reliable and on time. Directionally speaking, it will probably increase the usage of the—

Mr. Taylor Bachrach: I don't fly between Toronto and Montreal a lot, but in your view, would the HFR project deliver what this study says is necessary to capture that market share, not just from rail enthusiasts like yourself but from people who are going to take the easiest and most economical option?

Mr. Martin Imbleau: Again, it's going to be a personal one. I'm not necessarily a rail fanatic, because I didn't use it before because it was not the service I was expecting. If it's four hours between Toronto and Montreal, I will use the train all the time. I'm expecting the business community, at least, to change their habits, to drop the cars, drop the plane and use the train.

Mr. Taylor Bachrach: Thanks, Mr. Chair.

The Chair: Thank you, Mr. Bachrach.

I agree with Mr. Badawey. That is a good line and a good slogan. You might want to take that down.

[*Translation*]

I want to thank our witnesses for being here this evening, particularly at this late hour, both those who attended virtually and in person.

[*English*]

Thank you for sharing your expertise with the committee and for contributing to this very important study.

With that I will excuse the witnesses, thank them again and suspend for five minutes as we go in camera to discuss some important issues.

[*Proceedings continue in camera*]

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